



Trust • Excellence • Service

# FISCAL YEAR 2005 ANNUAL REPORT



DEPARTMENT OF ADMINISTRATIVE SERVICES  
DANA R. RUSSELL, COMMISSIONER



## MESSAGE FROM THE COMMISSIONER



On behalf of the Department of Administrative Services (DOAS), I am pleased to present to our valued customers, state and local government leaders, employees, and citizens of Georgia our agency's Fiscal Year 2005 Annual Report. This annual report provides a comprehensive review of DOAS' programs and financial performance for the most recently completed fiscal year. In the following pages, you will find summaries of the many accomplishments achieved by our agency during Fiscal Year 2005 as well as our current initiatives.

Our vision to become "the best business run by a government" means providing high quality products and services at the lowest possible cost. Our accomplishments and initiatives are driven by customer input and ongoing benchmarking and analysis of best practices in the private and public sectors. This past year we reduced the cost and improved the quality of our products and services through the implementation of new processes and systems. We also met the challenge of realigning several business

functions, reflecting a greater coordination of efforts throughout state government, to make us more effective and efficient in meeting the needs of Georgians.

I believe the accomplishments outlined in this report better enable DOAS to achieve our mission of providing consistent, cost-effective, and efficient consolidated services, so Georgia government can more effectively serve the public.

*Dana R. Russell*

# VISION, MISSION, AND VALUES

## VISION

To be the best business run by a government.

## MISSION

To provide consistent, cost-effective, and efficient consolidated services so Georgia government can more effectively serve the public.

We do this by:

- aggregating purchases to obtain best value;
- centralizing business support services to achieve economies of scale; and
- establishing business practices to achieve fairness and equity.

## VALUES

We believe . . .

- in striving for excellence in all we do.
- in being good stewards of public resources.
- in being accountable to all stakeholders.
- change is constant and should be positively and proactively managed.
- in being adaptable and flexible in our processes, organizational structure, and decision-making.
- our success is dependent on teamwork.
- mutual and timely communication is critical to individual and group success.
- in diversity of input and ideas in decision-making.
- in being fair and responsive and honoring commitments to our business partners.
- individuals should be treated with respect.



# TABLE OF CONTENTS



CUSTOMER SERVICE FOCUS .....	2
FY 2005 HIGHLIGHTS .....	3
FY 2005 FINANCIAL SUMMARY.....	7
FY 2005 ACCOMPLISHMENTS .....	8
FY 2006 INITIATIVES.....	13
KEY PERFORMANCE MEASURES .....	16
FY 2006 ORGANIZATION CHART .....	18
FY 2006 CONTACT INFORMATION .....	19
FY 2006 LEADERSHIP TEAM .....	20

## CUSTOMER SERVICE Focus

Customer service is the cornerstone of DOAS' success and continues to be its primary focus in implementing a superior customer oriented culture. Direct communication, open dialogue, and customer surveys have enabled DOAS to identify strategic business operation improvements. Customer input plays an integral role in DOAS' continual assessment of product and service offerings, as well as its future business decisions. Many of DOAS' accomplishments during Fiscal Year 2005 are a direct result of customer feedback.

### CUSTOMER SURVEY RESULTS

Customer surveys performed during Fiscal Year 2005 indicated overall customer satisfaction at 95% with DOAS products, services, and employees, which was a 4% increase from FY 2004. Customer satisfaction ratings by program areas for the past two fiscal years are as follows:

	FY 2005	FY 2004
RISK MANAGEMENT SERVICES	91%	74%
STATE PURCHASING SERVICES	90%	92%
FLEET SUPPORT SERVICES	97%	82%
MOTOR VEHICLE RENTALS	93%	100%
SURPLUS PROPERTY		
STATE GOVERNMENT	97%	93%
LOCAL GOVERNMENT	96%	98%
DOCUMENT SERVICES		
MAIL AND COURIER SERVICES	97%	88%
RAPID COPY	99%	99%

DOAS continues to target program areas for business process improvement to provide its customers with the most cost-effective and best quality products and services on the market. In keeping with

Governor Perdue's pledge to make superior customer service a hallmark of Georgia as a "best-managed state", DOAS continues to enhance customer service by providing faster processes and friendlier service.

# FY 2005 HIGHLIGHTS

Fiscal Year 2005 marked a successful year for DOAS. Key DOAS achievements included the redesign of several DOAS program area Web sites, receipt of the “Best of the Web” award for its intranet, receipt of an excellence in procurement award, implementation of a Report My Driving Program, sales of surplus property through an Internet auction process, and the development of an Educators’ Professional Liability Insurance Program. Also, in moving towards becoming the “best-managed state”, DOAS made significant strides in its progress to address recommendations from the Commission for a New Georgia. These accomplishments included changes in business functions, initiation of the Enterprise Asset Management project, reduction of the state fleet inventory, and initial transformation efforts of the procurement function. This section of the report highlights these accomplishments.

## EXPANSION OF DOAS’ WEB SITE

In Fiscal Year 2005, DOAS expanded its georgia.gov portal Web site with the development of subportal sites for Fleet Support Services and State Purchasing. The two redesigned, interactive Web sites enhance both function and convenience, while managing business in a state-of-the-art, real-time platform. These sites also provide customers with a streamlined process to access applications, policies, manuals, guides, and contact information.



### RECEIPT OF "2005 DIGITAL GOVERNMENT ACHIEVEMENT" AWARD

DOAS' employee intranet, Information Exchange System (IES), was honored with the "Best of the Web" award from the Center of Digital Government. IES was the first place winner of the 2005 Digital Government Achievement Award (DGAA) in the internal government category. This national award recognizes outstanding government agency Web sites that excel in providing information and services to their intranet audience.

### RECEIPT OF NATIONAL PURCHASING INSTITUTE'S "ACHIEVEMENT OF EXCELLENCE IN PROCUREMENT" AWARD

The National Purchasing Institute has again honored State Purchasing with the "Achievement of Excellence in Procurement"



award, making Georgia the only state in the country to receive this top honor for eight consecutive years. This prestigious award recognizes State Purchasing for their innovation, professionalism, productivity, e-procurement advancements, and organizational excellence in public procurement. The National Purchasing Institute, which designed this annual award program in 1995, is comprised of professional purchasing personnel from across the country dedicated to the

development of efficient purchasing methods and practices in the areas of governmental, educational, and institutional procurements.

### INTERNET AUCTION OF SURPLUS PROPERTY

On December 13, 2004, Governor Perdue announced that Georgia joined the "online auction revolution" by making millions of dollars worth of state surplus property available on eBay and other Internet auction sites. Meeting the Commission for a New Georgia's challenge to find more creative and effective ways to manage the state's assets, DOAS began redistributing property through a variety of online auction services. Surplus Property's online sale items include computers, office furniture, and automobiles. Previously, customers had to register and attend public auctions at surplus property centers in Atlanta, Americus, or Swainsboro. Now, the general public can also browse inventory over the Internet from anywhere to save time and travel costs.

### DEVELOPMENT OF EDUCATOR'S PROFESSIONAL LIABILITY INSURANCE PROGRAM

In early 2005, Governor Perdue signed the Educator's Professional Liability Insurance bill into law. This statute authorizes the Department of Administrative Services to obtain commercial liability insurance for all educators teaching below the college level. This innovative program provides coverage for nearly 140,000 teachers across the state at no cost to the recipients. This coverage is similar to the type carried by doctors, lawyers, and other professionals and insures certified personnel and student teachers employed by local school systems against claims arising out of the performance of their duties. During Fiscal Year 2005, Risk Management Services developed operational procedures for this new program as well as negotiated the terms and conditions of the policies with each insurer.



## IMPLEMENTATION OF "REPORT MY DRIVING" PROGRAM

With the support of Governor Perdue, DOAS implemented a new Web based "Report My Driving" Program focused



on promoting the safe and responsible operation of state vehicles. Through this system, the citizens of Georgia may now electronically submit comments regarding positive or negative driving activity in state-owned vehicles. Public awareness of this program is promoted through "Report My Driving" bumper stickers. This electronic reporting tool is conveniently located at [www.reportmydriving.ga.gov](http://www.reportmydriving.ga.gov). Links are also available from the DOAS' Web site and the state of Georgia's portal home page. The intent of this program is to help foster a culture of safe driving habits and practices among state employees, contributing to a reduction in the number of accidents involving drivers of state vehicles. This new program also has the potential to significantly decrease the state's annual accident claims, which have cost the state more than \$10.5 million since 2002.



## COMMISSION FOR A NEW GEORGIA PROGRESS UPDATES

### Changes to Business Functions

Fiscal Year 2005 concluded with the realignment of several of DOAS' major business functions. The program areas involved were the Governor's Small Business Center, Space Management, Office of Fleet Management, and State Purchasing. These changes will reflect a greater coordination of efforts throughout government, making the state more effective and efficient in meeting the needs of the citizens of Georgia.

### *Governor's Small Business Center*

On January 12, 2005, Governor Perdue issued an Executive Order to transfer the Governor's Small Business Center (GSBC) to the Georgia Department of Economic Development to more closely align its primary mission. The intent of the reorganization was to facilitate synergies to enable GSBC to focus on promoting Georgia's economic growth and providing general business development assistance to small and minority businesses. DOAS' State Purchasing retained the vendor relations functions of training and educating vendors on how to do business with the state of Georgia.

### *Space Management*

Senate Bill 158 transferred DOAS' Space Management Program to the State Properties Commission. This realignment enabled the state's real estate, office space management, and capital construction functions to be centrally managed. This strategic business approach to managing the state's largest capital investment provides comprehensive and consistent statewide standards and practices.

### **Office of Fleet Management**

House Bill 312 transferred DOAS' Office of Fleet Management state vehicle policy development and enforcement function to the Office of Planning and Budget (OPB). DOAS retained fleet service operations to include management of the interagency motor pool, the state fuel card, vehicle maintenance contracts, and implementation and management of a new statewide fleet information system as part of a larger enterprise asset management initiative. This realignment of functions will allow DOAS and OPB to tighten and better enforce statewide policy on the assignment and use of state vehicles resulting in cost savings to the citizens of Georgia.

### **State Purchasing**

House Bill 312 transferred Georgia Technology Authority's (GTA) information technology (IT) procurement functions to DOAS. This realignment establishes a single purchasing entity to manage the procurements for IT and non-IT related products and services, ensuring more efficient state purchases. DOAS will conduct the solicitation and evaluation process and award and manage resulting contracts in coordination with GTA.

### **Initiation of the Enterprise Asset Management Project**

On April 12, 2005, Governor Sonny Perdue signed three bills into law implementing cost saving strategies in the state's management of billions of dollars in purchasing, properties, and other capital assets. During Fiscal Year 2005, DOAS in partnership with the State Accounting Office and the Georgia Technology Authority, defined the initial scope of a new enterprise asset management system (EAMS) to capture the state's diverse assets in a central repository. EAMS will enable the state to monitor life cycle costs associated with the state's motor vehicles and better manage all state-owned assets. The end

result will be the ability to make fact-based, data driven decisions regarding the state's real and tangible property assets.

### **Reduction of State Fleet Inventory**

On January 12, 2005, Governor Perdue issued an Executive Order to establish and execute a plan to reconsider the current usage and assignment of vehicles to achieve the greatest possible savings while responsibly managing vehicle assignment, utilization, and maintenance. Specifically, he pledged a 2,000 vehicle reduction to the state's estimated 21,000 vehicle fleet by June 30, 2005. DOAS was instrumental in reaching this goal. Reductions were accomplished by consolidating Capitol Hill motor pools, reviewing and eliminating underutilized vehicles from the fleet, and identifying other surplus vehicles for disposal.

### **Procurement Transformation Efforts**

In Fiscal Year 2005, DOAS made substantial strides in the initial transformation of its procurement function into a strategic organization focused on reducing the total

*The overall objective for the transformation project is to identify and capture strategic sourcing savings.*

cost of goods and services for the state. This involved the reorganization of purchasing job functions, development and implementation of job competency profiles and applicant screening instruments. A Request for Proposal was also issued to obtain a procurement transformation partner to assist in implementing the recommendations of the Commission for a New Georgia. The overall objective for the transformation project is to identify and capture strategic sourcing savings, while simultaneously building the state's capacity to sustain the effort into the future.



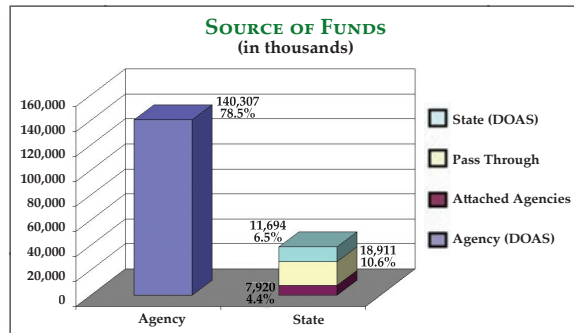
# FY 2005 FINANCIAL SUMMARY

In Fiscal Year 2005, DOAS' total funding was approximately \$179 million.

## SOURCE OF FUNDS

DOAS' source of funds during Fiscal Year 2005 included agency "pass through", attached agencies, and state funds. Agency funds totaling \$140.3 million (78.5%) were generated by DOAS from the sale of products and services to state, county, and local governments. Agency funding is reflective of a change in the budgetary process. At DOAS' recommendation, Risk Management Services changed from a non-budgeted fund to a budgeted fund to better reflect the actual reporting of this program. Appropriated funds for the other three funding categories equaled \$38.5 million, constituting 21.5% of the total funds. A significant portion of appropriated funds were "pass through" (non-DOAS funds) at \$18.9 million (10.6%). These funds were transferred through DOAS to the Georgia Technology Authority, Georgia Building Authority, Aviation and Golf Halls of Fame, and Health Planning Review Board for each entity's operations. Funds for operation of attached agencies, for which DOAS provided limited fiscal administration support, totaled

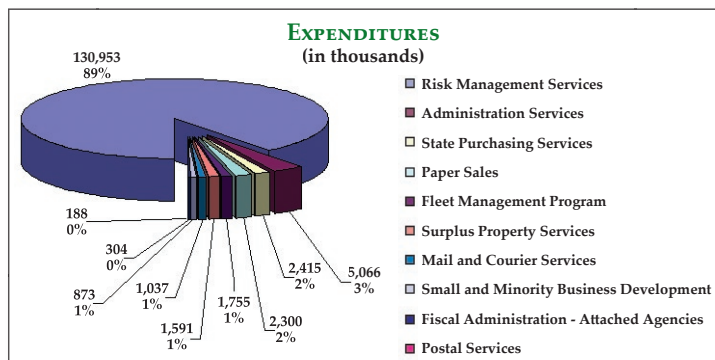
\$7.9 million (4.4%) and were designated for the Office of Treasury and Fiscal Services, Office of State Administrative Hearings, and the State Properties Commission. State funds used to supplement designated DOAS program operations constituted \$11.7 million



(6.5%) of total funds received by DOAS. DOAS' state funding increased by \$2.9 million (33.3%) from the previous year.

## EXPENDITURES

Approximately 95% of DOAS' total funds was used to support its major program areas of Risk Management Services, Fleet Support Services, State Purchasing Services, Surplus Property Services, and Paper Sales. The graph below also shows expenditures for DOAS programs such as Mail and Courier Services, Postal Services, and DOAS' fiscal administration for attached agencies.



## FY 2005 ACCOMPLISHMENTS

The commitment to provide business solutions to help state and local governments achieve their missions continued to be a primary focus for DOAS during Fiscal Year 2005. DOAS' accomplishments include a broad range of achievements in its business offerings of Risk Management Services, State Purchasing Services, Fleet Support Services, Surplus Property Services, and Document Services. This section details DOAS' Fiscal Year 2005 accomplishments.

### **RISK MANAGEMENT SERVICES**

DOAS' Risk Management Services directs the state's Liability and Property Insurance programs, Workers' Compensation Program, Unemployment Program, and also manages the Georgia State Indemnification Program. DOAS oversees the claims administration process and assists state entities in identifying unique loss exposures and developing strategies to reduce the cost of risk associated with individual business operations. Through these efforts, Risk Management Services promotes good stewardship of state funds and the protection of state assets. The following outlines DOAS' accomplishments in Risk Management Services.

#### **Implementation of Web Based Property Registry**

Risk Management Services launched a new Web based Property Registry enabling registered users to access and update their property information electronically. State-owned buildings and other property are insured against damage or destruction from various hazards under the state of Georgia's self-insured Risk Management Services Property Insurance Program. Prior to implementation of this Web based Property Registry, updates to property information were performed as part of an annual process. This electronic tool now enables users to make timely updates at their convenience.

#### **Improvement in Medical Bill Review Process**

In June of 2005, Risk Management Services restructured its approach to reviewing Workers' Compensation medical bills to address the rising costs of medical claims. Risk Management Services contracted with MediCor Managed Care, Inc. to provide medical bill review services. This company reviews bills for fee schedule and provider agreement reductions as well as over-utilization of medical services. During Fiscal Year 2006, the Workers' Compensation Program anticipates thousands of dollars in savings from the review of medical services provided to injured workers.

#### **Expansion of Insurance Education Program**

During Fiscal Year 2005, Risk Management Services expanded its insurance education program statewide. This program, designed for state employees, promotes safety procedures, accident prevention measures, and an awareness of liability exposure and prevention. Participants are provided guidance on what to do in the event of an accident and procedures to implement and follow to minimize, transfer, or avoid the risk of loss before an incident occurs.

## STATE PURCHASING SERVICES

State Purchasing is responsible for helping state and local governments procure a wide range of commodities and services. State Purchasing also negotiates statewide contracts and offers technical assistance in conducting and assessing competitive bids. Charged with promoting equal access and competition among vendors, DOAS increased its efforts to help ensure the availability of high quality goods and services at the lowest possible price. Moving forward in the direction of increased efficiency and effectiveness, State Purchasing continues to make advancements leading to a progressive procurement system through the implementation of 21<sup>st</sup> century technologies and management techniques. DOAS achieved the following accomplishments in State Purchasing for Fiscal Year 2005.

### Cost Savings through Competitive Procurements

By leveraging the state's purchasing power, State Purchasing establishes competitive statewide contracts for a variety of products, services, and equipment. State and local governments and nonprofit organiza-

*The state was awarded a \$1,635,398 rebate for the effective use of the State Purchasing Card.*

tions can benefit from the convenience and competitive pricing of these pre-established contracts. Contracts include commonly used commodities such as office furniture, motor vehicles, natural gas, liquid petroleum, paint, ammunition, asphalt, and much more. During Fiscal Year 2005, state and local governments realized direct savings of over \$42 million for products and services purchased from statewide contracts. The state was also awarded a \$1,635,398 rebate for the effective use of the State Purchasing Card.

### Implementation of Managed Equipment Maintenance Contract

In Fiscal Year 2005, State Purchasing implemented the Managed Equipment Maintenance contract to provide cost savings and convenience of service. This contract provides access to equipment maintenance consulting services for state and local governments choosing to participate. It also offers the best available tools and support and provides a guaranteed level of savings.

### Enhancement to the Office Supply Contract

State Purchasing facilitated an alliance between Office Depot, one of the vendors for office supplies, and Georgia Enterprises for Products and Services (GEPS). GEPS is an organization committed to providing meaningful employment to Georgia's citizens with disabilities. This alliance enables the formation of an innovative public-private partnership for Office Depot to inventory and distribute GEPS' "mandatory source" toner cartridges. Convenience of use and expediency of the purchasing process are some of the benefits achieved by providing commonly used office supplies through this partnership.

### Redesign of Request for Proposal Template

State Purchasing redesigned the Request for Proposal (RFP) template to provide a more streamlined and user-friendly approach to developing solicitations. The new RFP template assists in ensuring that all the necessary information and requirements are not only provided in the proposal, but also stated in a manner that will result in the receipt of responsive proposals.

## FLEET SUPPORT SERVICES

Fleet Support Services centralizes state government's motor vehicle fleet management functions to ensure efficient and cost-effective fleet operations and to minimize the life cycle costs associated with vehicle ownership. This program provides state and local governments with guidance on vehicle purchases, assignment, usage, maintenance, operation, and disposal. The following outlines the accomplishments of Fleet Support Services during Fiscal Year 2005.

### Cost Savings through the Fuel Card Program

The Fuel Card Program, provided through Wright Express (WEX), offers state and local governments a universally accepted fuel purchasing card for making fuel purchases at more than 7,000 locations

*The Fuel Card Program realized a savings of \$2.4 million through tax avoidance and recovery on fuel purchases.*

in Georgia and 170,000 locations throughout the United States. In Fiscal Year 2005, Fleet Support Services continued to provide cost savings to Fuel Card Program participants. The Fuel Card Program realized a savings of \$2.4 million through tax avoidance and recovery on fuel purchases. An additional fuel cost savings was realized through the initiation of the diesel tax addendum. This addendum increased the monthly average diesel tax savings from \$7,448 to \$52,918.

### Development of an Interim Fleet Inventory System

One of the directives of the Governor's Executive Order, associated with the control and management of state vehicles, was to implement a statewide fleet management

software system to be utilized by all state entities. In the interim, DOAS has created a Web based fleet inventory system to track vehicle assignments and location. This interactive system provides the ability for state entities to update and view vehicle inventories online. It also provides an up-to-date vehicle inventory that includes vehicles in the purchase process and vehicles scheduled for disposal. This interim fleet inventory system will eventually be incorporated into the Enterprise Asset Management System (EAMS).

### Cost Savings through the Motor Vehicle Maintenance Program

The Motor Vehicle Maintenance Program provides a total fleet management solution to state and local governments. The program, offered through Automotive Resources Incorporated (ARI), provides a cost-effective method of handling and tracking motor vehicle operational expenses. In Fiscal Year 2005, program participants saved over \$500,000 in administrative cost reductions, field adjustments, negotiations, and warranty claims. A new maintenance management services contract, awarded in Fiscal Year 2005, enabled program enrollment fees to be reduced by 40%. With the number of currently enrolled government entities, this reduction provided an immediate savings of more than \$80,000 to the state, in addition to creating a greater enrollment incentive.

### Cost Recovery of Fuel Tax

During Fiscal Year 2005, DOAS contracted with CSI Global Fleet to recover taxes on fuel transactions that were processed outside of the Wright Express Tax Exemption program. This tax recovery project generated tax refunds totaling \$795,685 from aviation fuel, diesel, and gasoline purchases dating back to January 1, 2000.

### Analysis of Motor Vehicle Rental Rates

As a result of the rising operating costs associated with DOAS' Interagency Motor Pool, a motor vehicle rental rate analysis was conducted to determine an appropriate rate structure. In developing this rate structure, vehicle depreciation, fuel



costs, maintenance, and personnel expenses were considered. The new rate structure now includes a fuel surcharge, based on the weekly Oil Price Information Service (OPIS) index, in addition to a daily rate and a per mile charge. This fuel surcharge enables the financial demands of fluctuating prices to be met and passed on to the customer.

### SURPLUS PROPERTY SERVICES

Surplus Property is responsible for the redistribution of state and federal personal property to state and local governments through three conveniently located surplus property centers in Atlanta, Americus, and Swainsboro. In addition, DOAS also assists state and local governments with property storage and disposal. The goal of the Surplus Property Program is to help entities achieve cost savings and ensure the full utilization of state and federal government assets. The following highlights DOAS' accomplishments in Surplus Property Services.

### Implementation of Check Approval System

During Fiscal Year 2005, Surplus Property implemented an electronic check approval system as a convenient paying option for customers. This check approval system, provided through TeleCheck, accelerates cash flow, lowers operating expenses, increases sales, and protects the state from nonpayment liability.

### Establishment of Silent Auction Process

Historically, surplus property has been sold in large lots which have not always been appealing to individual buyers. In Fiscal Year 2005, Surplus Property established a silent auction process to make smaller quantities and individual surplus property items available to the public. Silent auctions are held at surplus property centers in Atlanta, Americus, and Swainsboro as surplus property becomes available. Bid sheets, setting the minimum price for each item, enable customers to bid on items of interest. At the close of the auction the award is made to the highest bidder. These auctions enable the state to receive higher prices for each item while providing a convenient and efficient property disposal method.

*Surplus Property established a silent auction process to make smaller quantities and individual surplus property items available to the public.*



## Document Services

Document Services provides mail, courier, post office, and rapid copy services to state government within metro Atlanta. DOAS operates a U.S. and interoffice mail delivery network, manages two U.S. Post Offices on Capitol Hill, and provides photocopying services to state and local governments. Document Services helps customers achieve efficiency in their day-to-day business activities by providing convenient and cost-effective document processing services. The following outlines the accomplishments of Document Services during Fiscal Year 2005.

### Implementation of a Mail Tracking System

In Fiscal Year 2005, DOAS continued its effort to modernize mail operations by procuring an automated state-of-the-art mail tracking system to enhance accountability.

*The new mail tracking system automatically tracks and accounts for all incoming and outgoing certified and registered mail.*

This new system automatically tracks and accounts for all incoming and outgoing certified and registered mail. Featured capabilities include the ability to capture electronic signatures of individuals receiving the mail and real-time data providing customers with up-to-date mail status.

### Cost Savings through Presort and Rapid Copy Vendor Partners

Document Services continued to provide savings to customers during Fiscal Year 2005 through its presort and rapid copy vendor contracts.

The presort mail contract offers bulk mail processing and presort services to generate volume discounts and provides

*Presort mail customers realized savings of \$1,003,481 which is an 84% increase over last year's savings.*

savings to participants. In Fiscal Year 2005, presort mail customers realized savings of \$1,003,481 which is an 84% increase over last year's savings. The presort mail volume of 16,296 million reflects a 130% increase over Fiscal Year 2004.

In partnership with Xerox Corporation, DOAS Rapid Copy Services continued to offer savings through three on-site, high volume copy centers. These centers, conveniently located on Capitol Hill, provide customers with a wide variety of printing services. During Fiscal Year 2005, over 25 million copies were printed for government entities substantiating a 9% increase over last year's volume. The state realized a total savings over private sector competitors of more than \$2.2 million, which reflects an increase of 4% over the previous fiscal year.

*Over 25 million copies were printed for government entities substantiating a 9% increase over last year's volume.*



# FY 2006 INITIATIVES

Fiscal Year 2006 promises to be another successful year for DOAS. As of this publication, DOAS has already made great strides in some of the initiatives targeted for Fiscal Year 2006. The following provides a brief summary of the initiatives that DOAS looks forward to highlighting as accomplishments in the Fiscal Year 2006 Annual Report.

## RENEWED FOCUS ON SUPERIOR CUSTOMER SERVICE



DOAS' mission is to provide consistent, cost-effective, and efficient consolidated services so Georgia government can more effectively serve the public. To achieve this mission, customers must value DOAS' products and services and regard employees as important business resources. Therefore, DOAS employees must continue to provide superior customer service by being responsive and helpful in every customer interaction. In Fiscal Year 2005, twenty-two percent of DOAS' customers said they were "very satisfied" with the dependable customer support from DOAS employees. DOAS' goal is to increase the percentage of "very satisfied" customers from 22% to 27% by June 30, 2006. DOAS will develop tools and processes to encourage and monitor employee responsiveness, accessibility, knowledge, expertise, helpfulness, and empathy.

## EXPANSION OF DOAS' WEB SITE REDESIGN

DOAS plans to create subportal sites for Surplus Property Services and Risk Management Services as part of its georgia.gov portal Web site. The two redesigned, interactive Web sites will provide enhancements to function and convenience, while managing business in a state-of-the-art, real-time platform. Customers will be provided a streamlined process to access applications, policies, manuals, guides, and contact information. Upon completion, the final outcome will be a consistent Web site image that enables ease of access and use for DOAS customers.



### **INCREASE PARTICIPATION IN MANAGED CARE SERVICES**

Risk Management Services administers Workers' Compensation for all state of Georgia employees which includes a Managed Care Organization (MCO) program provided through Amerisys, Inc. The MCO program provides quality health care to state employees who have suffered a job-related injury while improving the state's ability to return workers to productive activity in an appropriate and successful manner. In Fiscal Year 2005, this program was successfully piloted with several state agencies and is targeted for statewide implementation in Fiscal Year 2006.

### **ESTABLISH A LOSS PREVENTION PROGRAM**

By the end of Fiscal Year 2006, Risk Management Services plans to develop and pilot a statewide coordinated safety and loss control program. The Loss Prevention Program's focus will be on reducing liability exposure, safeguarding state assets, and reducing costs associated with state liability and property losses. The program will be managed by DOAS in partnership with a private vendor, selected through the request for proposal process. Before the program is implemented statewide, it will be piloted by several state agencies. The Loss Prevention Program is scheduled for full statewide implementation during Fiscal Year 2007.

### **HOSTING RISK MANAGEMENT CONFERENCE**

In Fiscal Year 2006, DOAS Risk Management Services is scheduled to host the annual State Risk and Insurance Management Association (STRIMA) conference at Jekyll Island, Georgia from September 18-22, 2005. STRIMA is a professional association of risk and insurance managers representing 38 states and three Canadian Provincials that promotes the advancement

*This year's conference will provide an opportunity for members to network and to learn the latest industry news, issues, and solutions.*

of risk management principles and practices in the public sector. Annually, STRIMA sponsors a five day conference hosted by a different state each year to facilitate training opportunities and promote the highest level of professional and ethical standards. This year's conference, hosted by Georgia, will provide an opportunity for members to network with other risk management professionals and to learn the latest industry news, issues, and solutions.

### **EXPANSION OF PROCUREMENT TRAINING**

During Fiscal Year 2006, State Purchasing plans to expand its procurement training program to include two new course

*New customized course offerings will provide guidance in procurement processes, terms, and regulations.*

offerings, "Introduction to State Purchasing" and "Writing Specifications." These customized courses, designed for procurement and purchasing employees, will provide guidance in procurement processes, terms, and regulations. The courses will consist of classroom delivery, class activities, and hands-on computer training. New materials are also being developed and reviewed for inclusion in the procurement training program curriculum.

### **RELOCATION OF THE ATLANTA SURPLUS PROPERTY CENTER**

To improve the accessibility and better serve the needs of customers in the metro Atlanta area, the Atlanta Surplus Property Center plans to relocate in Fiscal Year 2006. The center will move from its current location on Murphy Avenue to an updated facility, located in Tucker, Georgia. This center will continue to provide property disposal and redistribution services to state and local governments, nonprofit organizations, service educational activities, the Small Business Administration, and the general public.

### **COMMISSION FOR A NEW GEORGIA Implementation of Enterprise Asset Management System**

During Fiscal Year 2006, DOAS in continued partnership with the State Accounting Office and the Georgia Technology Authority, will begin the implementation of a new enterprise asset management system (EAMS). DOAS' focus will be on implementing the components of the tool that will enable the state to monitor motor vehicle life cycle costs and manage surplus property assets.

### **Assessment of Fleet Business Operations**

In Fiscal Year 2006, Fleet Support Services will solicit proposals for a vendor to assess the ownership, management, and funding of the state's fleet and the current operations of DOAS' Interagency Motor Pool to include outsourcing. The vendor will consider various business models to address the state's needs and provide recommendations on the future direction of fleet management. The outcome will provide more effective and efficient state fleet business operations, resulting in cost savings to the citizens of Georgia.

### **Assessment of Procurement Business Practices**

The state's procurement process is the largest potential source of government savings targeted by Governor Perdue's Commission for a New Georgia. In Fiscal Year 2006, State Purchasing will award a four year contract to a transformation partner to overhaul the state's procurement system. This transformation partner will review current procurement processes and procedures and provide recommendations that will enable the state to save at least \$135 million on the purchase of supplies and services by July 2008. The vendor will guide the procurement program area into technologies and management techniques that are proving to be "best practices" in the procurement arena. The outcome will be a more efficient state procurement process resulting in millions of dollars in taxpayer savings.

*State Purchasing will award a four year contract to a transformation partner to overhaul the state's procurement system.*

## KEY PERFORMANCE MEASURES

Key performance measures are the tools used to manage mission-critical programs or activities. These measures are linked to DOAS' strategic goals and supporting strategic objectives. They provide the agency's leadership with the ability to track significant performance trends over time and to make adjustments when necessary. The following tables highlight these key performance measures.

### RISK MANAGEMENT SERVICES

PROGRAM	MEASURES	FY 2003	FY 2004	FY 2005	FY 2006 (ESTIMATE)
Workers' Compensation	Workers' Comp cost as a % of payroll	1.39%	1.18%	1.11%	1.13%
	Lost work days per 100 employees	158	161	161	160
Liability Insurance	Liability cost per budgeted position	\$221	\$245	\$298	\$310
Unemployment	Unemployment cost as a % of payroll	0.13%	0.22%	0.17%	0.15%
Insurance	Cost avoidance through self-insurance	\$61,800,925	\$69,439,241	\$88,439,276	\$76,556,763

### STATE PURCHASING SERVICES

PROGRAM	MEASURES	FY 2003	FY 2004	FY 2005	FY 2006 (ESTIMATE)
Statewide Contracts	Number of statewide contracts	79	72	72	87
	Dollars expended through statewide contracts	\$128,691,530	\$227,892,136	\$233,285,308	\$1,419,337,133
	Statewide contracts savings over retail cost	\$19,414,822	\$47,000,000	\$42,175,189	\$50,000,000
	Number of purchasing card (P-card) transactions	1,029,545	1,122,877	1,231,781	1,380,200

## FLEET SUPPORT SERVICES

PROGRAM	MEASURES	FY 2003	FY 2004	FY 2005	FY 2006 (ESTIMATE)
Motor Vehicle Rentals	Cost avoidance associated with the use of the rental fleet vs. commercial source	\$289,100	\$228,190	\$222,100	\$252,000
Motor Vehicle Maintenance	Cost avoidance using Motor Vehicle Maintenance contract	\$774,990	\$642,005	\$543,407	\$700,000
	Percent of eligible vehicles on Motor Vehicle Maintenance Contract	9.00%	8.63%	8.28%	22.72%
Fuel Card	Cost avoidance through usage of the fuel card	\$2,936,231	\$1,880,592	\$2,409,095	\$2,778,000
	Number of gallons of gasoline purchased with the fuel card	10,500,000	15,161,237	15,591,022	15,825,000

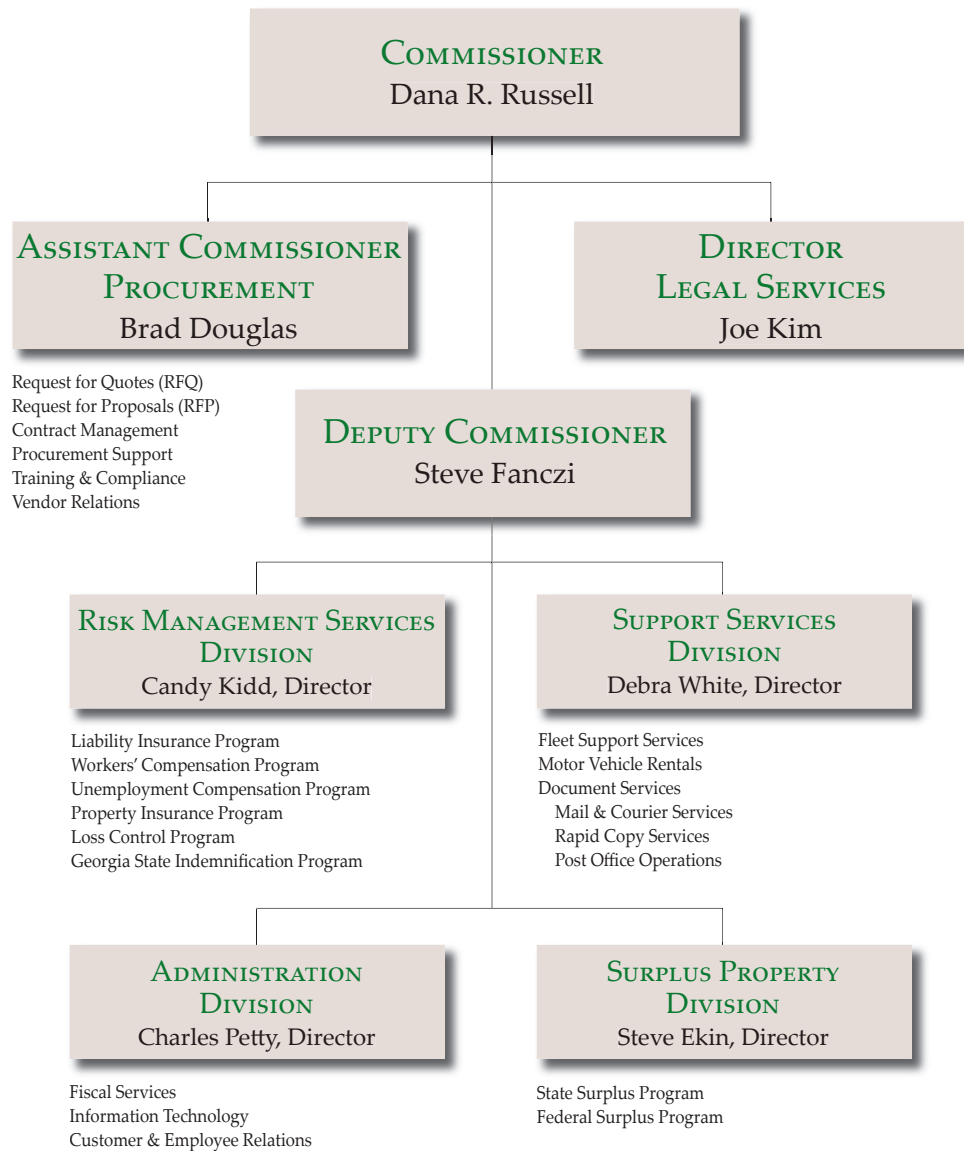
## SURPLUS PROPERTY SERVICES

PROGRAM	MEASURES	FY 2003	FY 2004	FY 2005	FY 2006 (ESTIMATE)
State & Federal Surplus Property	Total number of items redistributed through the Surplus Property Centers:	109,109	100,102	210,143	171,629
	State Government	6,691	4,524	10,859	10,859
	Local Government	8,850	6,046	17,398	17,398
	Federal Government	3,473	829	975	975
	NonProfit Entities	2,177	2,269	3,375	3,375
	On-Site Disposal	66,264	68,280	154,058	115,544
	Auctions	21,654	18,154	23,478	23,478

## DOCUMENT SERVICES

PROGRAM	MEASURES	FY 2003	FY 2004	FY 2005	FY 2006 (ESTIMATE)
Mail Services	Number of pieces of mail metered by DOAS	492,971	724,503	735,002	753,773
Rapid Copy	Cost avoidance over commercial rates for copy services	\$2,273,955	\$2,139,001	\$2,230,599	\$2,300,000
Presort Contract	Cost avoidance over first class postal rates for presort mail	\$524,191	\$549,424	\$1,003,481	\$1,075,000

# FY 2006 ORGANIZATION CHART





# FY 2006

## CONTACT INFORMATION

**COMMISSIONER** DANA R. RUSSELL, 404-656-5514

**DEPUTY COMMISSIONER** STEVE FANCZI, 404-656-5514

**STATE PURCHASING DIVISION** BRAD DOUGLAS, ASSISTANT COMMISSIONER, 404-656-3002  
Request for Proposal Development  
Request for Quote Development  
Contract Management  
Procurement Support  
Training and Compliance  
Vendor Relations

**RISK MANAGEMENT SERVICES DIVISION** CANDY KIDD, DIRECTOR, 404-463-3989  
Liability Insurance Program  
Workers' Compensation Program  
Unemployment Compensation Program  
Property Insurance Program  
Loss Control Program  
Georgia State Indemnification Program

**SUPPORT SERVICES DIVISION** DEBRA WHITE, DIRECTOR, 404-657-8544  
Fleet Support Services  
Motor Vehicle Rentals  
Document Services  
Mail and Courier Services  
Rapid Copy Services  
Postal Office Operations

**SURPLUS PROPERTY DIVISION** STEVE EKin, DIRECTOR, 770-414-6468  
State Surplus Program  
Federal Surplus Program

**ADMINISTRATION DIVISION** CHARLES PETTY, DIRECTOR, 404-656-5673  
Fiscal Services  
Information Technology  
Customer and Employee Relations

**OFFICE OF LEGAL SERVICES** JOE KIM, DIRECTOR, 404-651-5935

## FY 2006 LEADERSHIP TEAM



PICTURED LEFT TO RIGHT: **DEBRA WHITE**, Support Services Division Director; **BRAD DOUGLAS**, Assistant Commissioner; **CANDY KIDD**, Risk Management Services Division Director; **CHARLES PETTY**, Administration Division Director; **DANA RUSSELL**, Commissioner; **JOE KIM**, Office of Legal Services Director; **STEVE FANCZI**, Deputy Commissioner; **STEVE EKIN**, Surplus Property Division Director; and **DENISE CROWE**, Customer & Employee Relations Director.





GEORGIA DEPARTMENT OF ADMINISTRATIVE SERVICES  
200 PIEDMONT AVENUE, 1804 WEST TOWER, ATLANTA, GEORGIA 30334  
404-656-5514 • FAX 404-651-9595  
[www.doas.georgia.gov](http://www.doas.georgia.gov)  
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